



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 26, 2007

Approved

Ray Wines

Date

4/5/07

COUNCIL DISTRICT: City-wide

SUBJECT: APPROVE THE FIRST AMENDMENT TO THE AGREEMENT FOR AIRPORT CUSTODIAL SERVICES BETWEEN THE CITY OF SAN JOSE AND ACME BUILDING MAINTENANCE

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to execute the first amendment to the agreement between the City of San Jose and Acme Building Maintenance for Custodial Service at the Norman Y. Mineta San Jose International Airport by including a customary insurance requirement for janitorial services and adding services resulting in an increase in compensation by \$180,000 from \$216,000 to a not-to-exceed amount of \$396,000 for the first year of the Agreement.

OUTCOME

Continue high level custodial services at the Norman Y. Mineta San Jose International Airport to ensure safety and cleanliness to the traveling public.

BACKGROUND

On July 10, 2006 the City entered into an Agreement with Acme Building maintenance to provide custodians on an as-needed basis for supplemental work and to augment Airport custodial personnel when absent and when requested by the Airport facilities project manager . At the inception of the agreement Airport management estimated that use of Acme custodians would consume approximately 12,000 labor hours annually and budgeted \$216,000 for the initial year for these services.

ANALYSIS

Since award of this agreement the Airport Facilities Division has experienced numerous vacancies of permanent staff. Currently the division has six vacant positions, six employees on work related disabilities, one employee on maternity leave, and one employee on extended sick leave. To alleviate this problem Airport management consumed a much higher number of Contractor labor hours than originally estimated.

Due to the absence of eight (8) city custodians and six (6) vacant positions during the first six months of this agreement, representing approximately 25% of the total budgeted custodian workforce at the Airport, the allocated dollars for the Acme contract for custodial services were expended sooner than expected. This usage has consumed the originally allocated \$216,000 requiring the Airport to request an additional amount of \$180,000 for continued use of contract custodians through the term of the first year of the agreement. During the ensuing months the Airport Facilities Division will be filling some of the current vacancies and is actively working with Human Resources to accomplish this goal. The Airport also expects that employees currently absent due to maternity and disability leave will be returning to work.

The requirement for the Contractor to provide custodians as substitute labor for regular Airport custodians who are on disability leave and other absences as defined in the scope of work of the agreement is not being changed by the requested increase in maximum compensation.

Inadvertently, the contract did not include customary employee dishonesty insurance for janitorial contractors. Employee dishonesty insurance provides for coverage against theft from contract employees. Through this amendment, this insurance requirement will be added. Inadvertently, the contract did not include customary employee dishonesty insurance for janitorial contractors. Employee dishonesty insurance provides for coverage against theft from contract employees. Through this amendment, this insurance requirement will be added.

Staff recommends an amendment increasing the agreement by \$180,000 to a maximum compensation of \$396,000 to provide augmented custodial services to the current custodial staff at the Norman Y. Mineta San Jose International Airport.

Contracting-In

The Aviation Department submitted the Contracting-In form for this amendment to Human Resources on March 1, 2007. Staff met with the affected bargaining unit, clarified the need for the amendment, and reviewed the information.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this recommendation does not meet any of the criteria listed above, this memorandum will be posted on the City's website for the April 17, 2007 Council Agenda.

COORDINATION

This memorandum has been coordinated with the Aviation Department, the City Attorney's Office, and the City Manager's Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

Not applicable.

March 26, 2007

Subject: Amendment Agreement Airport Custodial Services CSJ and ACME Building Maintenance

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BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2006-2007 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
523	0802	<u>Non-personal</u> Equipment	304131	\$37,125,041	\$396,000	XI-3	11/21/06, 27922

CEQA

Not a Project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.